

**SEVENTH ANNUAL REPORT TO THE  
GENERAL ASSEMBLY  
ON  
VERMONT'S  
WELFARE RESTRUCTURING  
PROJECT**

**Submitted by**

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**On behalf of**

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- For additional information about Vermont's Welfare Restructuring Project (WRP), see the Department of Prevention, Assistance, Transition, and Health Access's website at:  
<http://www.path.state.vt.us>
- For additional information about the Office of Child Support (OCS), see the OCS website at:  
<http://www.ocs.state.vt.us>.

## HIGHLIGHTS OF 2000

- The General Assembly enacted Act 147, An Act Relating to Assisting Families to Attain Self-Sufficiency, which set the stage for the end of WRP on June 30, 2001. On July 1, 2001, Vermont enters a new era of aiding families with children and will make the transition to federal welfare reform regulations.
- The 15,000 Vermonters receiving welfare is a historic 25-year low; this milestone is even more impressive when looked at in the context of the increased population of Vermont over the same period.
- Only 81 minor parents were supported by ANFC - a 30 percent drop since 1995. "Mom's House" at the Rutland Parent-Child Center opened and provides housing to seven single moms age 19 and younger.
- In response to the housing crisis and the devastating effect homelessness has on families, PATH provided funding for COTS' (Committee on Temporary Shelter) initiative to house families at Trinity College in Burlington.
- More Reach Up parents received occupational training as a result of added funding to expand these opportunities.
- As a result of PATH's ongoing agreement with the Good News Garage, 131 ANFC families going to work got reliable cars.
- Parents that cannot find jobs at the end of WRP time limits may be placed in one of five group Community Service Employment (CSE) worksites.
- Women were encouraged to participate in non-traditional occupational training through the Step Up and Women Build programs and reap the rewards of higher incomes for their families. ANFC parents helped build a house in South Burlington. The Futures program, with continued PATH support, helped many women plan for employment and make career decisions.
- Parents with health barriers received comprehensive assessment and support through a collaborative agreement with DAD's Vocational Rehabilitation division. Others with employment barriers received a greater array of services through initiatives funded by Reach Up and federal Welfare-to-Work dollars.
- Children continued to benefit from the state's subsidized child care system and higher provider payment rates and direct payment to providers.
- PATH's contribution of TANF funds to Central Vermont Community Action Council's Tangible Assets project resulted in participating ANFC parents' savings being matched two-to-

one. This asset-building strategy helped ANFC families save over \$23,000 to go to college, start a business, or buy a home.

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## INTRODUCTION

### Federal Welfare Reform

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, known as the federal welfare reform bill or PRWORA. Title I of PRWORA created the Temporary Assistance for Needy Families (TANF) program to replace the Aid to Families with Dependent Children (AFDC) and JOBS programs (which continue to be known as ANFC and Reach Up, respectively, in Vermont). In addition, TANF is funded through a block grant in contrast to the open-ended federal financial participation system of the past. TANF-funded assistance to families is limited to 60 months in a lifetime unless the family is exempt under the hardship exception that applies to up to 20 percent of the caseload. This provision does not preclude use of state funds to assist families that are not eligible for federal TANF assistance.

PRWORA gives states the opportunity to continue operation of welfare reform demonstration projects. Vermont is continuing the state's Welfare Restructuring Project (WRP) as described below, through its planned completion on June 30, 2001, while making plans to integrate WRP under the TANF umbrella. A copy of Vermont's TANF state plan is available through the Department of Prevention, Assistance, Transition, and Health Access (PATH) Internet website or upon request.

Vermont will be subject to all federal TANF requirements when WRP ends. In preparation for this transition, Act 147 (2000), An Act Relating to Assisting Families to Attain Self-Sufficiency, renamed the "Aid to Needy Families with Children" program "Reach Up", built on the premises of WRP, and made some fundamental changes to the program effective July 1, 2001. See State Legislation and Policy Making on page 7 of this report for additional information. For purposes of this WRP report, the terms ANFC and Reach Up continue to be used under their current WRP definitions and do not reflect Act 147 changes, unless specifically noted.

### Child Support Legislation

As a result of federal welfare reform, the Vermont Legislature made sweeping changes to Vermont's Child Support laws during the 1997 legislative session. For more information, contact the Office of Child Support (OCS) for a copy of the annual report, *Office of Child Support Report to the Legislature - Implementation of Act 63* -January 15, 2001.

The changes in Act 63, which seek to strengthen and expedite child support enforcement efforts, complement the welfare-to-work effort since reliable receipt of child support, in combination with earnings, can provide a level of family income that enables families to leave the welfare rolls.

OCS continues to work with many entities, including private businesses, other state agencies, and the courts to implement this extensive legislation. The legislation covers administrative processes related to liens, bank matches, attachment of accounts, wage withholding, and subpoenas, as well

as genetic testing orders, matches with public utilities, changes in automated systems, new hire reporting, suspension of recreational and professional licenses, work search activities for noncustodial parents, and implementation of the Uniform Interstate Family Support Act (UIFSA). As these processes are fully implemented, the increase in parentage establishment rates and collection rates for both public assistance and non-public assistance households will be a direct benefit to Vermont families.

### **Vermont's Welfare Restructuring Project (WRP)**

Vermont was one of the first states to implement a time-limited welfare program. Vermont's Welfare Restructuring Project (WRP) began on July 1, 1994. As a means to achieving several important goals, in particular the markedly and measurably improved well-being of children and families, WRP seeks to:

- Make dependence on ANFC benefits transitional by applying time limits leading to work requirements to single-parent families, by strengthening the work requirement for breadwinners in two-parent families, by providing subsidized employment when unsubsidized options are not available, and by sanctioning noncomplying parents.
- Increase incentives to work by providing a higher "earnings disregard", eliminating the "100-hour rule", making transitional Medicaid coverage longer, excluding the value of one vehicle, and allowing welfare families to save earnings.
- Promote good parenting and positive role-modeling through requiring pregnant and parenting minors to live with parents or in an approved adult-supervised living arrangement, paying child support directly to the parent, increasing effectiveness of collection efforts, and providing cash bonuses for completion of parenting education programs or volunteer work that builds parenting skills.
- Form a partnership between ANFC parents and the state through case management support, job development opportunities, and education and training that support self-sufficiency.
- Serve families according to three sets of rules. Group 1, representing 20 percent of the caseload, qualifies for pre-reform benefits and services, which are not subject to time limits or the requirement to accept subsidized employment. Group 2, representing 20 percent of the caseload, is subject to all welfare reform work incentives and other enhancements, but not time limits or the requirement to accept subsidized employment. Group 3, representing 60 percent of the caseload, is subject to all provisions of welfare reform, including time limits and the requirement to accept subsidized employment. Beginning July 1, 1997, Group 3 rules for determination of eligibility and amount of benefits apply to all applicant families that have not previously been assigned to a WRP group; families previously assigned retain the original group assignment.

## State Legislation and Policy Making

In preparation for the transition from WRP to the provisions of federal welfare reform, the 2000 legislature enacted Act 147, An Act Relating to Assisting Families to Attain Self-Sufficiency. While most of the provisions of the Act are effective July 1, 2001, a transition section allowed the department to phase in components of the legislation beginning November 1, 2000.

Act 147 also included a new name for the Department of Social Welfare (DSW). Effective July 1, 2000, DSW became the Department of Prevention, Assistance, Transition, and Health Access (PATH).

Key elements of Act 147 include:

- ANFC and Reach Up become one program, called "Reach Up". Reach Up will have a cash assistance component and a family development/self-sufficiency component.
- Eligibility will mirror WRP Group 3 policies in most respects. A new provision of Act 147 is that two-parent families may have two vehicles excluded as a resource.
- As soon as a parent or caretaker is granted Reach Up cash assistance, he or she will be assigned a case manager and will be required to participate in activities leading to employment.
- An assessment of each family's strengths, skills, experience, and challenges will occur during the first 30 days of assistance, culminating in the creation of a Family Development Plan (FDP). The assessment will include a literacy evaluation.
- Most parents and caretakers will have a work requirement as soon as they are work ready, or at the end of 12 cumulative months of receiving Reach Up cash assistance, whichever is earlier. The number of hours varies by household composition. Extensions and deferrals may be granted.
- The work requirement may be met by participation in subsidized or unsubsidized employment, community work experience, vocational training, or other activities as specified in federal law.
- Failure to participate in FDP or work activities without good cause will result in a fiscal sanction, beginning at \$75 per month.
- "Separate state programs" will be created for adults in postsecondary education, parents who are not participating in work activities for the required number of hours when necessary to meet federal work participation rate requirements, and single parents with a child under the age of two (subject to a 24-month life-time limit). This provision enhances the state's ability to preserve longstanding Vermont policies and to meet the federal work participation rates and preserve federal funding.
- PATH will be required to complete various evaluations and annual reports to the legislature, as well as comply with TANF federal reporting requirements.

As authorized under section 1133 of Act 147, PATH promulgated policy effective November 1, 2000, to establish a period of transition from ANFC and WRP to the new Reach Up program. These rules apply to Group 3 families with single parents and able-bodied spouses of incapacitated parents. The policy increases hours-of-work required, establishes case manager meeting and work-



ready dates for these families, and expands the list of acceptable work activities during the transition period to include all TANF-countable activities.

This rule also revised ANFC policy regarding WRP work requirement exemptions for those suffering the effects of domestic violence. The department eliminated the universal requirement of a clinical assessment for exemption extensions.

On December 22, 2000, PATH filed proposed policy for the Postsecondary Education Program for Low-Income Parents.

Policy for the remaining provisions of Act 147 and the transition from WRP waivers to the new Reach Up program is under development.

### **Evaluation of WRP**

Manpower Demonstration Research Corporation (MDRC), a nonprofit charitable organization and a national expert in the welfare-to-work arena, is the contractor responsible for carrying out the independent evaluation of Vermont's WRP. MDRC will issue the final WRP report in 2002. See Section 10 for information about MDRC reports.

The Agency of Human Services' (AHS) annual report *The Social Well-Being of Vermonters* includes an evaluation of indicators that serve as an additional measure of WRP's impact on families. The Agency is committed to a number of clear and fundamental outcomes for children and families and has made great strides toward achieving the following outcomes:

- Children live in stable, supported families
- Families live in safe and supportive communities
- Infants and children thrive
- Children are ready for, and succeed in, school
- Youth choose healthy behaviors and successfully transition to adulthood

### **This Report**

This is the final report submitted pursuant to Act 106 (1994, Adjourned Session 1993), Section 14, EVALUATION AND REPORTING, subsection (b). The department will evaluate its new Reach Up program and submit reports pursuant to Act 147 section 1134. This WRP report will continue to use the program name 'ANFC' and related 'Reach Up' services as defined under WRP.

Copies of prior years' reports are available upon request or through PATH's website.

The sections below correspond to the numerical paragraphs under subsection (b) of Section 14 of Act 106.

**SECTION 1**  
**METHODS EMPLOYED TO INVOLVE PARTICIPATING FAMILIES, LOCAL**  
**ORGANIZATIONS AND OTHER GOVERNMENT AGENCIES IN RESTRUCTURING**  
  
**THE EFFECTIVENESS OF USING LOCAL ORGANIZATIONS TO DEVELOP**  
**SUBSIDIZED AND UNSUBSIDIZED JOB PLACEMENTS**

**Welfare Reform Advisory Group**

The primary means of involving families, local organizations, and other government agencies in welfare reform activities continues to be the Welfare Reform Advisory Group (WRAG). The membership of this group is consistent with Act 106, Section 4, subsection (c), to "ensure that representatives of families receiving ANFC, representatives of community agencies, and representatives of department of social welfare staff play an active role in the planning, implementation and evaluation of welfare restructuring".

**Welfare Reform Advisory Group Activities Summary:**

The WRAG met seven times in 2000. Major topics included:

- The majority of the year's meetings focussed on the planning activities related to the end of WRP. The WRAG was updated as H.843 was proposed and moved through the legislative process. Upon enactment as Act 147, the WRAG continued to review and discuss the legislation and focused on the details of the department's policy development and implementation plans.
- Continuation of the WRAG as a welfare reform advisory group.
- Strategic planning in PATH districts to involve key players in the process of implementing post-WRP welfare reform and helping families successfully transition from welfare to work.
- Update on ANFC domestic violence work requirement exemptions and discussion of plans to use eligibility for the Vermont Earned Income Tax Credit to protect and possibly extend food stamp program eligibility.
- Updates on numerous topics from WRAG members and guests, including:
- Department of Labor Welfare-to-Work grants and the Workforce Investment Act, Office of Child Support accomplishments and initiatives, Vermont State Housing Authority Home Ownership program, planned statewide expansion of the Individual Development Account program, the Clean Team training program, Reverse Commute Transportation Project, and the Commodity Supplemental Food program.

**Involvement of Local Organizations and Other Government Agencies in Restructuring**

• **End-of-Time Limit (ETL) Activities**

PATH has been working assiduously with the Department of Employment and Training (DET) to place ANFC recipients in jobs, particularly those that reach their ANFC end-of-time limit. These

efforts continued to be successful during 2000, as only 74 ANFC recipients at ETL were placed into subsidized Community Service Employment (CSE).

Those that cannot find private sector jobs can take advantage of individual CSE placements or one of five group CSE work sites around the state. The group sites are at Recycle North in Burlington, Addison County Community Action Group, Bennington-Rutland Opportunity Council, and the Brattleboro Retreat's Wheeler House. In 2000, DET's Clean Team was added as a CSE group work site. The group sites offer an additional advantage of requiring no skills or prior work experience. PATH and DET continue to work on expanding the number of group CSE work sites in the future.

- **Welfare-to-Work (WtW) Grants**

The Department of Labor funds three WtW programs around the state. The WtW programs are managed by DET, Central Vermont Community Action Council (CVCAC), and Northern Community Investment Corporation.

The partnership developed between PATH and the three WtW programs continues. Welfare recipients may co-enroll in Reach Up and WtW programs and benefit from a much larger array of program activities and support services. As a result of this cooperative arrangement, Reach Up and WtW programs are able to do a better job helping harder-to-serve individuals find and keep employment.

- **Getting Ready to Work Program**

The Getting Ready to Work program (GRTW) is a partnership between PATH and the Department of Education (DOE) to provide educational and training activities to welfare recipients. GRTW finished its third year of providing basic education and soft and hard skills development to 395 Reach Up participants through local partnerships. Specifically, GRTW participants participated in work-based learning (30 percent), increased their occupational or technical skills (43 percent) and secured employment (25 percent).

GRTW offers intensive basic educational services to ANFC parents that do not have a high school diploma or equivalency certificate and a package of educational and job readiness activities to enable the individual to make a successful transition to work.

GRTW programs operate in eleven of the twelve Workforce Investment Board (WIB) regions. They are planned by the region's Adult Education Council (AEC) to match local needs and are operated by a host agency that takes a leadership role in delivery of the services.

- **Work Experience, Education and Employment for Vermonters (WEEEV)**

WEEEV continues to be a very effective program to help long-term unemployed individuals with significant employment barriers enter the workforce. The program is successful because it combines the teaching of job skills with the acquisition of life skills. In 2000, WEEEV operated in Middlebury, Rutland and central Vermont. It is slated to expand to Brattleboro in 2001. Of the 103 WEEEV enrollees, 56 were ANFC participants and of those, 47 became employed at an average wage of \$8.29 per hour. The Clean Team, which is a component of WEEEV, has a waiting

list of private sector organizations, educational institutions, and state government departments interested in hiring graduates of this program.

- **Teen Parent Education Initiative**

In 2000, PATH continued to provide funding for Teen Parent Education Programs (TPEP) to each of its Parent-Child Center partners. This program focuses on assisting minor and 18- and 19-year old ANFC parents who have not completed their secondary education. TPEP places lead responsibility with the Parent-Child Centers to coordinate education providers, the Adult Education Council, and the Community Partnerships, on the local level, to develop and implement a plan for enhanced educational opportunities that will result in achievement of a high school diploma or its equivalent. PATH funds the resulting planned educational activities. In addition to this funding, PATH's teen parent education incentive program provides cash rewards to the teen for achieving milestones specified in the education plan.

- **Families in Recovery**

PATH continued to fund the Brattleboro Retreat's Families in Recovery program (FIR) to help ANFC mothers with very serious substance abuse problems. FIR participants have long and substantial histories of social, emotional, interpersonal, and economic dysfunction. All FIR participants have failed at least one prior treatment regimen. Most have poor work histories and have been on ANFC for at least 30 months.

FIR is a residential program for the parent and children who can be supported for up to six months followed by a year of outpatient support. All FIR participants are enrolled in the Reach Up program. FIR provides comprehensive and intensive counseling and group therapy. An important component of the treatment is work readiness and work experience activities. This program helps each participant overcome the many life experiences that have hindered her successful attainment of self-sufficiency.

- **Vocational Rehabilitation Services**

In 2000, PATH and the Department of Aging and Disabilities' (DAD) Division of Vocational Rehabilitation (VR) worked together to help ANFC recipients who have physical or mental health issues. Project staff in four districts provided services to approximately 200 ANFC recipients who have significant barriers to employment. Specialized services include: comprehensive assessment, testing, case management and supported work.

- **Child Care**

PATH and SRS continue to work together to ensure that a seamless child care system is available to support working families. SRS provides direct payments to child care providers caring for ANFC children. The legislature appropriated additional funds to support families with child care needs. These changes and additional funds promote quality child care for Vermont children - an essential component of a parent's ability to enter and remain in the workforce.

- **Good News Garage Program**

PATH continued its agreement with the nationally acclaimed, Burlington-based, Good News Garage (GNG). The GNG accepts donated cars from people all over New England. The cars are repaired and sold to low-income Vermonters for the cost of the repairs.

As a result of this agreement, the GNG increased the number of cars repaired and provided more cars statewide to Reach Up participants going to work. GNG also operates a satellite repair facility in the Northeast Kingdom to provide local services. In 2000, GNG provided 131 cars to ANFC parents to help them go to work.

- **Transportation Loan Fund**

This project provides ANFC parents access to loans for car purchase or repair necessary to obtain or retain employment. The regional Community Action Programs provide loan origination services and refer applicants to the Vermont Development Credit Union (VDCU), an organization established specifically to serve low-income Vermonters. VDCU houses the loan fund and processes the loans. ANFC families that are denied a loan work with VDCU to become credit worthy. During 2000, Vermonters drew 74 loans averaging \$2200 per car.

- **Partnership with Community Action Programs**

PATH continued its involvement with the Community Action Programs (CAPs) to support self-employment training programs for ANFC recipients. PATH also assisted the CAPs in expanding the Tangible Assets Project statewide, set for 2001. This Individual Development Account (IDA) program assists low-income families in achieving self-sufficiency by building cash savings and assets. PATH's contribution of TANF funds resulted in ANFC parents' savings being matched two-for-one. ANFC parents have saved over \$23,000 according to the most recent statistics available.

- **Job Clubs**

PATH continues to offer Job Clubs for ANFC parents and others to prepare them for successful job market entry and to support them during job search. Job Clubs are offered by each PATH district office and most often involve a collaborative effort with DET. Job Clubs also help participants prepare resumes, practice interviewing and use job search resources to find job openings. Participants appreciate the opportunities these activities provide and the added advantage of interacting with others in the same situation.

- **Reach Up for SRS Minor Parents**

SRS and PATH have a state level agreement to serve pregnant and parenting teens in SRS custody. The agreement provides these teen parents with significant additional attention and resources as well as guidance to improve their own and their child's lives. The state's parent- child centers (PCC) provide case management services through their current Reach Up case managers. Local agreements between the PCCs and SRS district offices are in place that define referral and communication processes.

## **Rural Welfare-to-Work Strategies Project Grant**

In October of 1998, Vermont was one of ten rural states selected by the Department of Health and Human Services' Administration for Children and Families to participate in an 18-month initiative

to stimulate research nationally on emerging approaches to welfare reform policy and service delivery models in rural areas. This \$50,000 grant was being used to assist Vermont's promising new Welfare-to-Work projects during start-up and early implementation and facilitate interagency coordination among the various organizations participating in a wide range of welfare-to-work efforts throughout the state. Funding for this project came to an end on September 30, 2000.

### **Human Resources Investment Council (HRIC), Workforce Investment Boards (WIBs), Adult Education Councils (AECs), Community Partnerships, State Team for Children and Families**

PATH continues to participate at HRIC meetings, monitoring discussions and providing staff support to HRIC on WRP issues. The PATH Commissioner often represents the AHS Secretary at HRIC meetings. During 2000, PATH continued to update the Council on federal welfare reform's impact on Vermont's WRP, enlist support, and point out the increased importance of assisting ANFC families in moving from welfare to employment. Building an education and training infrastructure that can support welfare reform remains one of the focal areas for the HRIC, the regional Workforce Investment Boards (WIBs), and the Adult Education Councils (AECs) developed by the Department of Education and closely associated with the WIBs. Welfare reform has also been an element in the statewide School-To-Work initiative, overseen by the HRIC and in its final year in 2000. The HRIC report, including its annual updates, also serves as the annual plan called for in Section 7(b) of Act 106.

- **A new role for HRIC:**

In 1999, HRIC oversaw the development of the nation's first unified multi-agency plan under the federal Workforce Investment Act (WIA). WIA alters the landscape of work and training programs dramatically, consolidating many preexisting programs and calling for a much stronger work-first approach than was evident in previous programs. HRIC coordinates the development of an integrated network of services for up to 15 federally funded workforce education programs, in addition to coordinating state and locally funded workforce programs. To carry out this responsibility, the Council restructured its membership to include a business majority and a business Chair. These actions represent a major milestone in the state's efforts to define and implement long-range workforce development policies. In 2000, the new and expanded Council redrafted its vision and mission to highlight both the social and economic objectives of the state's workforce education and training system: Good jobs for Vermonters, and a competitive advantage for Vermont employers.

- **Determining Future Workforce Needs:**

HRIC continues to support the 12 regional WIBs, which have been increasingly effective at identifying regional labor shortages and linking workforce development and economic development strategies. WIBs have designed and implemented a number of specific training initiatives in response to business requests and are gathering labor market information through employer surveys, focus groups, and interviews.

In 2000, HRIC obtained a significant Department of Labor grant to assist WIBs in the development of long-range regional workforce development plans, also known as Community Audits. Each

regional plan will identify strategic business sectors, defined as those which hold the best potential for creating good jobs, determine the extent to which workforce education and training is important to the future growth of these sectors, and make recommendations for changes in education and training services to respond to the opportunities identified.

Regional workforce planning is a key goal of HRIC. These activities define clear linkages between public and private education and training resources and regional economic development priorities. Specific initiatives based on collaboration among employers, schools, colleges, and one-stop career centers are emerging as a result of these planning initiatives. These local partnerships are critical to the success of the state's workforce development efforts.

- **Restructuring Technical Education:**

In 1998, the legislature enacted a set of funding and governance initiatives that resulted from a comprehensive public design process. In 1999, a new funding structure and more flexible options for regional governance were added to increase access, raise standards, and increase accountability for results.

The legislature also provided multi-year competitive funding for three pilot regions that developed proposals for consolidation of regional governance structures and innovative programming linked to regional economic development strategies. The Department of Education provided three additional regions with resources to pursue the same objectives. The implementation phase of these projects began in 1999, and the results of these efforts will be studied as prototypes for other regions and future legislation.

In 2000, the legislature convened a study group organized by the State Board of Education and HRIC to consider further changes to the governance system for the regional vocational technical centers. The study group recommended providing regions with the opportunity to broaden representation on the local governance boards with the objective of making these institutions more responsive to the needs of employers and partner agencies.

**Workforce Education and Training Fund (WETF):**

In the 2000 legislative session, the General Assembly added \$667,000 to this fund, established in 1999 with \$1.5 million, to be administered by DET in collaboration with HRIC. This fund is significant to welfare reform in that it targets the unemployed, underemployed, and those at risk of losing their jobs due to lack of skills training. The 12 WIBs and a state level committee of HRIC and DET have reviewed three rounds of proposals - a total of 48 proposals. The committee recommended and the DET Commissioner approved 15 proposals for total funding of \$1.9 million. An additional \$1million for the WETF is proposed in the SFY02 budget.

**PATH Involvement in WIBs:**

District directors have been active participants in their districts' WIBs, bringing the issues of welfare reform to each WIB's agenda within the context of regional workforce education and training system development. PATH staff provided the Northeast Kingdom (NEK) WIB with a high level of assistance in the successful pursuit of a federal Department of Labor Welfare-to-Work discretionary grant. As a result of this grant, the North Country Call Center began operation in January 2000 and employs low-income Vermonters, including ANFC participants.

**PATH Involvement in Adult Education Councils (AEC):**

District Reach Up staff are also active members of the AECs, which are associated with each WIB. AECs are charged with assessing the adult education resources in the WIB region and developing a plan to address the gaps in those resources and to coordinate, systematize, and eventually fund them better.

**State Team for Children and Families/Regional Community Partnerships:**

Another state and local collaboration project encompassing welfare reform efforts is the State Team for Children and Families and its regional Community Partnerships. These groups focus on the 10 Key Outcomes defined by the Agency of Human Services. The goals related to welfare reform are: to assist families in obtaining the opportunities and skills necessary for self-sufficiency; to encourage economic independence by removing barriers and disincentives to work; to support parental nurturing; to support parental responsibility, both custodial and non-custodial; to encourage and assist individuals and families to contribute materially to their own self-sufficiency; and to recognize that families have differing personal characteristics and experiences by providing services that address their individual needs. PATH staff are active participants in the State Team and the Community Partnerships. Through this participation they ensure that welfare reform issues are a key element of the work of these groups.

**SECTION 2:****A DESCRIPTION OF THE DEVELOPMENT, IMPLEMENTATION AND SUBSEQUENT EVALUATION OF AGENCY STAFF TRAINING**

During 2000, PATH developed and carried out many training sessions that were directly related to Vermont's Welfare Restructuring Project. To ensure statewide accessibility, these trainings were held in centralized locations or specific regions.

Training is a key component to the success of WRP. It enhances staff's understanding of WRP policies and procedures, the vision and culture of welfare reform, and its focus on work and self-sufficiency. In turn, families who receive benefits from the department receive clear messages and information and an understanding of the department's and their role in welfare reform. This leads to PATH serving Vermonters better and parents and individuals getting the tools they need to make a better life for themselves and their families.

| <b>2000 DATES</b>         | <b>TRAINING</b>   |
|---------------------------|---|
| March, August, December   | Reach Up Basic Training: policies, procedures, practices. Three 4-day sessions.   |
| March, August, December   | Reach Up Orientation: orientation to state government, the ANFC eligibility process, and WRP. Three 1-day sessions.                                 |
| January, April, September | Community Service Employment/End-of-Time Limits (CSE/ETL) Training: how to work with parents at the end of WRP time limits. Three 2-day sessions.   |
| May                       | Case Management Training: how to provide case management services to ANFC families. One 6-day session for new staff (others have already attended). |



|   |   |
|---|---|
| January-May   | Fostering Effective Relationships: how to improve communication skills and techniques and enhance collaborative working relationships. Three 4-day sessions.  |
| June  | TANF Town: simulation and discussion to heighten awareness of client and staff behaviors that foster or inhibit self-sufficiency. Six 1/2-day sessions presented at the PATH annual conference. See additional information following this chart.  |
| July  | Substance Abuse: basic information and skills practice related to recognizing, screening, referring, and supporting individuals and families when substance abuse is present. One 2-day session   |
| May, October  | Basic Interviewing Training: how to listen to and communicate with clients. Two 3-day sessions.   |
| June  | Advanced Interviewing Training: facilitating in-depth interviews with clients. One 3-day session.   |
| May - October   | Professional Development Series: values, ethics, conflict resolution, welfare history, community involvement, and advocacy. Two sets of 6 workshops.  |
| January, February, March, April, May, July, September, November, December | Foundation II: introduction to PATH, AHS, community action organizations, philosophy of PATH, basics of determining ANFC eligibility. Nine 3-day sessions.  |
| April   | Integration Training: to help eligibility staff that have completed PATH program trainings gain a cohesive understanding of how the pieces fit together. One 1-day sessions.  |
| November  | Domestic Violence Training: sensitivity and knowledge about the dynamics of domestic violence and its impact on children and families - collaboratively designed by PATH staff and the Vermont Network Against Domestic Violence and Sexual Assault. Two 2-day sessions for new staff who had not already attended this training. |

### **PATH Annual Conference**

Over 500 individuals, including PATH staff, Reach Up contracted case managers, and representatives from some community and private organizations that work closely with PATH attended one of the two two-day conferences held on the Vermont Technical College campus on June 20-21 and June 22-23.

Nora Gerber, Center for Human Services Training and Development, University of California, created "Welcome to TANF Town" to support the goals of welfare reform. She traveled to Vermont to guide conference attendees through TANF Town. During this three-hour interactive simulation, participants stepped into the shoes of families and "lived their life". This provided a compressed look at the successes and challenges the department's clients and families may encounter and participants learned new skills and behaviors for working with families.

The conference also offered wellness events, commissioner's awards, and several workshops that included such topics as: The Impact of Trauma, Interactive Communication, Addictions-the Challenge, and You Don't Get a Second Chance to Make a Good 1st Impression.

### **Evaluation of Training**

This was the second full year of implementation of the Regional Training Team (RTT) model. The department developed this team as a means to deliver quality program trainings in a more timely manner than the previous centralized system was able to provide. Staff at all levels of the department report that the quality of program trainings has been enhanced significantly by the involvement of district office staff in these trainings. The RTT concept has resulted in increased time for PATH's centralized Human Resource Development unit (HRD) to develop new/specialized/centralized trainings such as those listed in the chart. HRD also acts in a leadership role in ongoing skill development for the RTT members and in oversight of the quality of department-sponsored trainings.

Evaluation of training activities is based on both verbal and written feedback from participants. HRD staff reviews written evaluations and follows up by contacting trainers or trainees when there are questions or concerns. Overall, participants rated the training programs very highly.

As a result of the need to maximize existing training resources, the RTT model is undergoing an in-depth evaluation process. A working review committee representing the RTT, supervisors, directors, and HRD has been formed. This group will meet in January 2001 and present a proposal for a restructured training team model by mid-February.

### **Looking to the Future**

In addition to the continuation of WRP trainings listed in the preceding chart, a number of new trainings will be offered during the coming year, primarily related to the implementation of Act 147.

Planning for revised policy, program, and skill-based trainings is underway. For instance, "End-of-Time-Limits" training has gone through revision and is now "Work Readiness" training. Final revisions for all trainings await adoption of new policy, which will not be available until late spring.

Training for the new postsecondary education program will be delivered in the spring.

Assessment training is planned for April and will include philosophy, concepts, protocols, strength-based assessment, and use of assessment tools. This training will lay the groundwork for the full spectrum of policy trainings that will take place at the annual PATH conference in June.

June training includes modules on work requirements; sanctions; deferments; work, education, and training; and use of the ACCESS computer system in relation to the new policies and regulations.

These trainings will be delivered to all district and central office staff who are directly involved in the transition from WRP to Act 147 and in overview format for all other PATH staff.

### **SECTION 3:**

#### **A DESCRIPTION OF DEVELOPMENT, IMPLEMENTATION, AND SUBSEQUENT EVALUATION OF CASE MANAGEMENT SYSTEM AND INDIVIDUALIZED FAMILY DEVELOPMENT PLAN COMPONENTS OF RESTRUCTURING**

Individualized case management is the heart of the Reach Up program. Each participant works closely with his or her case manager to assess strengths and barriers, define an employment-directed Family Development Plan (FDP), and continue a dynamic and supportive relationship resulting in achievement of self-sufficiency. The FDP defines the steps and tasks necessary to achieve the employment goal and addresses the barriers that need to be overcome, both by the participant and other family members, toward that end. The FDP also specifies the support services needed within the context of the FDP's goal, steps, and tasks.

To address the broad spectrum of social service, educational, and training needs of a diverse Reach Up caseload, PATH continues to purchase some case management services from non-PATH entities. The department is committed to making Reach Up case management services available, where appropriate, in the environment that best supports the participant in achieving self-sufficiency and the FDP goals. Thus, Reach Up participants matriculated in college are served, where there are a sufficient number, by case managers employed by the college. The college integrates Reach Up students into the counseling and support services made available to all students. Minor parent, teen, and early twenties Reach Up parents are case managed by employees of Vermont's Parent-Child Centers (PCC). PCCs offer an array of services and programs aimed specifically at young parents. Chief earners in two-parent families, designated as "Unemployed Parents" or UPs, whose FDPs are focused primarily on going to work are served by DET, the state's employment service.

A continuing challenge for Reach Up case managers is serving mandatory end-of-time limit (ETL) participants. Many of these parents are already in Reach Up and have an effective and productive long-term working relationship with their case manager. However, as the caseload has gotten smaller, a greater proportion of the parents who remain have not volunteered for Reach Up prior to ETL. Reach Up staff report that many of these parents have significant barriers to employment and lack confidence in their ability to meet the work requirement. Waiting until ETL to participate in Reach Up limits Reach Up activity options and the time available for parents and Reach Up case managers to assess and prepare for the work requirement. The shortened timeframe, coupled with the obligation to meet the work requirement while addressing barriers to employment, makes working with this group a challenging endeavor. All agree that most parents need more than two months' participation in Reach Up to take advantage of education and training opportunities and transition from welfare to work at or before ETL.

A new case management challenge in 2000 was presented by Act 147. The transition policy became effective November 1, 2000. This policy was developed to position the department to meet

the TANF work requirements when WRP ends on June 30, 2001. Some Group 3 single parents and spouses of incapacitated parents that have reached or are due to reach their WRP ETL are subject to increased hours-of-work requirements prior to July 1, 2001. Case managers must explain this new policy, discuss the acceptable work activities and assess the parent's readiness to meet the requirement.

This challenge will escalate during 2001 when parents in Group 1 and Group 2, who have not been subject to a work requirement under WRP, transition to Act 147 rules, including its work participation requirements. The department is in the process of planning this transition, assessing the current case management system and capacity, and determining the best approach to meet the needs of the families.

The following table shows the case management service providers and participant capacity of each as of January 8, 2001. While the number of Vermonters receiving ANFC has decreased more than 47 percent since June 1994, Reach UP's case management capacity has remained relatively stable during the same time period.

| <b>CASE MANAGEMENT SERVICE PROVIDERS - January 8, 2001</b>                 | <b>PARTICIPANT CAPACITY</b> |
|--|-----------------------------|
| <b>DEPARTMENT OF PREVENTION, ASSISTANCE, TRANSITION, AND HEALTH ACCESS</b> |                             |
| Reach Up Social Workers  | 1,500                       |
| Family Services Case Managers  | 680                         |
| TOTAL  | 2,180                       |
| <b>DEPARTMENT OF EMPLOYMENT &amp; TRAINING</b>                             |                             |
| Reach Up Case Managers   | 550                         |
| TOTAL  | 550                         |
| <b>PARENT-CHILD CENTERS</b>  |                             |
| Addison County PCC   | 45                          |
| Brattleboro Early Education Service  | 45                          |
| Champlain Islands PCC  | 30                          |
| Family Center of Washington County   | 45                          |
| Northwest Counseling and Support Services                                  | 45                          |
| Lamoille Family Center   | 45                          |
| Lund Family Center   | 75                          |
| Milton Family Community PCC  | 60                          |
| NEKCA, Newport   | 30                          |
| NEKCA, St. Johnsbury   | 30                          |
| Rutland County PCC   | 75                          |
| Springfield Area PCC   | 45                          |
| Sunrise Family Resource Center   | 60                          |
| The Family Place   | 45                          |
| Orange County PCC  | 30                          |
| TOTAL  | 705                         |
| <b>POST-SECONDARY EDUCATION</b>  |                             |

|                              |       |
|------------------------------|-------|
| Champlain College            | 100   |
| Community College of Vermont | 240   |
| Lyndon State College         | 50    |
| TOTAL                        | 390   |
| GRAND TOTAL                  | 3,825 |

DET's contracted Reach Up case management slots decreased from 700 to 550 beginning January 1, 2001. The number of case management slots exceeds the number of UP cases (406 in November 2000) because in many instances both the UP and the spouse are active Reach Up participants. Beginning later in 2001, DET will begin providing follow-up and job retention services to Reach Up participants that go to work. These services will be provided to those whose ANFC grant closes due to employment and to those working full-time, even if the grant does not close. The services may continue up to 12 months from the point of employment.

The Parent-Child Centers' (PCC) caseload capacity increased by 15, with the capacity expanded at the Milton Family Community PCC.

The case management contract with the Vermont Refugee Resettlement Program ended in early 2000 and the contract with Champlain Vocational Service also ended in 2000.

To improve oversight and management of the many Reach Up contracts, PATH established a Grants Unit as part of its Family Services Division. This unit will manage grants and monitor program compliance. Three staff have been assigned to do grant management and one to monitor participant case records. The grant managers are involved with planning for services, procurement, grant preparation, oversight, review and technical assistance. The program monitor reviews computer reports and case records through desk reviews and onsite visits.

Manpower Demonstration Research Corporation (MDRC) will complete its extensive evaluation of WRP and issue its final report in 2002. In the interim, MDRC's report published in October 1998 provided an evaluation of PATH's implementation of WRP based on field research and surveys of eligibility staff and Reach Up staff. See Section 10 of the Third Annual Report (January 15, 1997) and Section 6 of the Fourth Annual Report (January 15, 1998) for additional information about these surveys. This snapshot of staff and case management practices during the initial phase of WRP implementation illustrates Reach Up's overall shift to an employment focus, in combination with the traditional social work approach of the past. MDRC reports that parents in the three WRP groups did not have dramatically different experiences in their contacts with staff.

MDRC issued an interim report in June 2000, *Vermont's Welfare Restructuring Project: Key Findings from the Forty-Two-Month Client Survey*. This report is a companion report to the Forty-Two Month Impacts of *Vermont's Restructuring Project* report issued in September 1999. During 2000, MDRC surveyed CSE participants and supervisors of CSE participants and is analyzing and compiling the data. See Section 6 and 10 for more information about the client survey report and CSE surveys.

#### SECTION 4:

## **PROGRESS IN ESTABLISHING JOB TRAINING AND EMPLOYMENT PROGRAMS FOR NONCUSTODIAL PARENTS (NCP)**

One of the changes in federal law resulting from federal welfare reform requires all states to have work search programs for noncustodial parents (NCP) who are not meeting their support obligations.

As noted in the Introduction section, the Vermont legislature made sweeping changes to Vermont's child support laws to include this and other changes. Act 63 allows the state to require that a parent who is delinquent in paying child support to seek work and/or participate in various training and personal development activities leading to stable employment. In 1995, the Office of Child Support (OCS), the Department of Employment and Training (DET), and the Washington Family Court established a pilot project called 'Seek Work' requiring unemployed parents delinquent in their child support obligations to participate in work and training programs that lead to employment and the ability to fulfill their child support obligations. The success of the pilot project has led the family courts, DET, and OCS to expand the program throughout the state.

As of September 1998, 343 nonpaying NCPs have participated in this effort. Of those, 309 have made at least one payment after referral to DET.

To facilitate meeting federal requirements, the computer system was modified to provide the staff in each office with automated support to coordinate their handling of these shared cases. OCS and DET established a computer link that allows OCS to monitor the NCPs' participation. In cases where the NCP fails either to make payments or participate in the recommended activities, the NCP must explain the reason to the Family Court.

The addition of automated system support to the collaboration effort of OCS and DET in 'seek work' cases offers several benefits. Management of the cases through the computer system will allow for more accurate measurements of the effectiveness of the program. These system enhancements will also help foster and maintain a consistent statewide program and extend the foundation for such cooperative interactions even further by providing a shared computer system environment.

Noncustodial parents are also one of the target groups for the federal Welfare-to-Work grants discussed in Sections 1 and 9. The enhanced communication link between DET and OCS has benefited this program as well. As more noncustodial parents participate in this program, increased support collection from this group is a likely result leading to greater economic security for parents and their children and a move away from welfare dependence.

## **SECTION 5: PROGRESS IN DEVELOPING A VARIETY OF SUPERVISED LIVING ALTERNATIVES DESIGNED TO MEET THE INDIVIDUALIZED NEEDS OF PREGNANT MINORS AND MINOR PARENTS**

The average number of minor parents receiving TANF dropped about nine percent between 1999 and 2000. Fifteen of Vermont's Parent-Child Centers (PCC) continued to provide case management services to these young parents through the Reach Up program. The trend in numbers of minor parents receiving benefits shows a significant decline, i.e., from 116 in 1995 to 81 in 2000.

| <b>Year</b> | <b>Number of Minor Parents</b> | <b>Living with Parent</b> | <b>Living with Child's Other Parent*</b> | <b>Living with Relative</b> | <b>Living with Approved Adult Supervisor/Supervised Residence</b> | <b>Other Approved Living Arrangements</b> | <b>Sanction for Non-Cooperation</b> |
|-------------|--------------------------------|---------------------------|--|-----------------------------|---|---|-------------------------------------|
| 2000        | 81                             | 59.3%                     | 14.8%                                    | 9.2%                        | 9.9%  | 9.9%                                      | 1.2%                                |
| 1999        | 90                             | 68.0%                     | 7.0%                                     | 4.0%                        | 16.0%   | 4.0%                                      | <1.0%                               |
| 1998        | 98                             | 61.2%                     | 17.3%                                    | 3.0%                        | 10.2%   | 7.1%                                      | 1.0%                                |
| 1997        | 112                            | 64.2%                     | 18.0%                                    | 3.5%                        | 2.6%  | 10.7%                                     | 0.08%                               |
| 1996        | 112                            | 46.4%                     | 35.7%                                    | 5.3%                        | 2.6%  | 4.4%                                      | 0.08%                               |
| 1995        | 116                            | 54.0%                     | 26.0%                                    | 0.0%                        | 22.0%   | 4.0%                                      | 4.3%                                |

\* married, or if unmarried, both parents are 16 years old or older

### **Developing Supervised Living Alternatives**

Progress was made in 2000 in developing supervised living arrangements for teen parents.

The agreement between SRS and DSW permitting teen parents in Reach Up to access SRS foster care is in place. The most recent report from the PCCs show that two teens took advantage of this opportunity.

"Moms House" opened in Rutland in July 2000. This residence can provide supervised living for seven single parents age 19 and younger and their children. In addition, the building will house the Teen Parent Education Program, an education alternative to high school for teen parents receiving ANFC benefits.

PATH has an agreement through Reach Up to help develop the Lund Center, McAuley Square residential facility in Burlington for six ANFC eligible 16-21 year old single mothers. The women must be considered homeless prior to entry. The program, which is anticipated to open later in 2001, will emphasize independent living skills while providing structured living and support services so that the single women can gain self-sufficiency.

## **SECTION 6: EVALUATION OF THE PROGRAM BY PARTICIPATING FAMILIES**

As noted previously, Manpower Demonstration Research Corporation (MDRC), a nationally recognized research firm, is primarily responsible for the evaluation of the Welfare Restructuring Project. MDRC has obtained evaluation feedback from participating families through two different client-centered surveys. The MDRC surveys are described below.

### **Client survey**

In 1998 and 1999, Macro International, Inc., a survey research firm located in Burlington, (under contract to MDRC) administered a 45-minute follow-up survey to a sample of approximately 2,000 parents who had applied for or received ANFC in Vermont in 1994 and 1995. The goal of this survey was to measure the impact of various WRP policies.

The results of the survey demonstrate that WRP increased employment and reduced public assistance receipt for single-parent families, but did not significantly affect family income. The survey data further show that most people who went to work because of WRP were working full-time or close to full-time, in jobs paying at least \$7.50 per hour. In addition to increasing employment, WRP increased the use of formal child care arrangements for children ages 5 to 9. WRP did not affect savings, assets, food sufficiency, or the well-being of children. This is not surprising in light of the fact that WRP did not affect family income.

### **Community Service Employment (CSE) surveys**

In February 2000, MDRC, also through Macro International, Inc., began to conduct a 30-minute survey of individuals that were assigned to a Community Service Employment (CSE) placement during 1999. CSE supervisors were also interviewed.

The participant survey focused on the CSE placement process, experiences at the CSE work site, reasons why the placement ended, and other topics. The supervisor survey focused on the participant's performance relative to other workers and the work site's experience with the CSE program.

A final report is expected in early 2001. In addition to describing general survey results, the final report will include an analysis of CSE client characteristics and the placement process. The report will also offer recommendations for improving the CSE process.

### **HHS Evaluation Grant Funding Received**

In April 2000, PATH reapplied for continuing grant funding through the Department of Health and Human Services' (HHS) "State Welfare Reform Evaluation" program to support the evaluation of WRP. HHS awarded PATH a fourth year grant of \$198,100, with potential funding over a five-



year period of \$1.8 million. These funds provide substantial support for MDRC's work on the WRP evaluation.

**SECTION 7:**  
**DESCRIPTION OF THE CAPACITY OF THE HUMAN SERVICES DELIVERY**  
**SYSTEM, BOTH WITHIN AND WITHOUT STATE GOVERNMENT, TO SUSTAIN**  
**WELFARE RESTRUCTURING, INCLUDING THE SUPPORT SERVICES REQUIRED**  
**BY THIS ACT**

The capacity of the human services delivery system, both governmental and non-governmental, continues to be sufficient to support welfare restructuring. The strong economy coupled with the changes made in Vermont's welfare system thus far have resulted in further decreases in the ANFC caseload, as more recipients enter the workforce and become self-sufficient. There is still room for improvement, however, and PATH has continued to work toward a more effective service delivery system for families.

The MDRC interim report confirmed a fact that PATH was already aware of and concerned about: well under half of ANFC parents were volunteering for and participating in Reach Up prior to reaching their time limits, in spite of vigilant and creative recruitment efforts by district office staff. Many of the parents were reaching their time limit, at which point they were required to participate in job search, without having the advantage of case management, support services, and education and training activities to prepare them for entering the work force.

PATH was successful in recommending a change via Act 147 legislation to combine ANFC and Reach Up into one program, so that Reach Up assessment and services can be provided to parents and other adult caretakers as soon as they begin receiving cash assistance. PATH believes that earlier intervention will allow participants to complete activities in the Family Development Plans and become employed expeditiously, thus reducing long-term dependence on financial assistance.

PATH continues to restructure its district office service delivery system. The department believes that these changes will not only streamline benefits and services to families, but will also help the state meet the performance targets under federal welfare reform.

Because PATH believes that the current process for assessing the needs of parents entering the Reach Up program can be strengthened, it contracted with MAXIMUS to conduct an in depth review of assessment methods, policies and tools used in New Hampshire, Wisconsin and other states using innovative approaches. MAXIMUS provided this information to PATH in early 2000 and it is being evaluated by the Act 147 Assessment Workgroup, which is working on strengthening Vermont's assessment process.

Now that greater numbers of ANFC recipients are going to work, PATH, like other state TANF agencies, is finding that more effective follow-up services are needed to keep people working. PATH is looking to provide follow-up and job retention services. This approach will include opportunities for former or current recipients that are working to upgrade their job skills in order to continue moving up their chosen career ladder.

PATH has long recognized that child care and transportation are key to any welfare-to-work strategy, and progress has occurred in these areas as well. The implementation of the Legally-Exempt Child Care (LECC) system and the increase in funding for child care have been critical steps toward ensuring the availability of safe, quality child care for the children of working parents. PATH's active participation in the transportation initiatives described earlier in this report (specifically the Good News Garage and the transportation loan fund program) has helped make transportation to and from work possible for more parents.

Housing is another critical factor in a family's health and success in attaining self-sufficiency. Over the past several years, the lack of available and affordable housing has reached crisis levels in many parts of Vermont. While addressing this problem will take a statewide effort by many, PATH has played an important role in helping families with their housing needs. In 2000, the legislature appropriated funds to increase the number of months of rental or mortgage arrearage the department can pay under the General Assistance/Emergency Assistance (GA/EA) program. This aid helps maintain the family's housing and provide stability for the children. For those who are homeless, increased GA/EA program funds provide up to 84 days payment for temporary housing, usually in motels. The department also worked with COTS, the Committee on Temporary Shelter, and provided funding to meet the immediate needs of homeless families in the Burlington area that are staying on the Trinity College campus.

As the ANFC caseload continues to decline, PATH is finding that many of the families who remain have serious barriers to employment. PATH is working in close partnership with DET's and CVCAC's Welfare-to-Work programs (described earlier in this report), which are designed for hard-to-serve parents, to ensure that ANFC participants receive the support services they need while participating in WtW, and that case management services are coordinated, but not duplicated. PATH also partnered with DAD's Division of Vocational Rehabilitation and implemented a pilot project in four districts to provide assessment, case management, and supported work activities for ANFC parents with physical or mental health problems.

#### **SECTION 8:**

**DOCUMENTATION OF PARTICIPANT OUTCOMES, INCLUDING SPECIFIC INFORMATION RELATING TO THE NUMBER OF PERSONS EMPLOYED, BY OCCUPATION, INDUSTRY AND WAGE; THE TYPES OF SUBSIDIZED AND UNSUBSIDIZED JOBS SECURED BY PARTICIPANTS; ANY AVAILABLE INFORMATION ABOUT THE IMPACT OF RESTRUCTURING ON CHILDREN, INCLUDING OBJECTIVE INDICATORS OF IMPROVED CONDITIONS; AND THE NUMBER OF PARTICIPATING FAMILIES INVOLVED IN TRAINING AND EDUCATION PROGRAMS, BY TYPE OF PROGRAM. DIFFERENTIATE PARTICIPANT OUTCOMES ACCORDING TO MEMBERSHIP IN THE CONTROL GROUP AND THE TWO RANDOMLY SELECTED DEMONSTRATION GROUPS.**

#### **Documentation of Participant Outcomes**

The Manpower Demonstration Research Corporation (MDRC) is responsible for the evaluation of the Welfare Restructuring Project (WRP). MDRC's reports will cover program impacts on employment, income, family environment, and overall benefits and costs. Analysis of the impact of restructuring on children will be available in the final evaluation report.

MDRC published its first major evaluation report in October 1998 and produced an update to this report in September 1999. This report was based solely on data from administrative records. The second major (and also the final) report will be available in mid-2002. A brief report on the results of the client survey (also see Section 6) was issued June 2000. It included some preliminary information on client outcomes.

MDRC has invited Vermont to become part of The Next Generation Project, a foundation-funded, collaborative effort of MDRC and experts at premier research universities. WRP's data will be added to nine other research projects to further examine how welfare, employment, and anti-poverty programs and policies affect the well-being of parents and children.

### **Key Findings from the Forty-Two Month Client Survey**

In 1998 and 1999, MDRC administered a 45-minute follow-up survey to approximately 2,000 parents who had applied for or received ANFC in 1994 and 1995. The goal of the survey was to measure the impact of various WRP policies.

As noted in Section 6, the results of the survey demonstrate that WRP increased employment and reduced public assistance receipt for single-parent families, but did not significantly affect family income. The survey data further show that most people who went to work because of WRP were working full-time or close to full-time, in jobs paying at least \$7.50 per hour. In addition to increasing employment, WRP increased the use of formal child care arrangements for children ages 5 to 9. WRP did not affect savings, assets, food sufficiency, or the well-being of children. This is not surprising in light of the fact that WRP did not affect family income.

The *Key Findings* report also stated that:

- WRP generated an increase in employment. The employment rate of Group 3, the WRP group, (87percent) was higher than the rates for Group 1, the ANFC group, (81.3 percent) and Group 2, the WRP incentives only group, (79.6 percent).
- There were no significant differences in household income among the three groups.
- Despite the differences in employment rates, there were no significant differences among the groups in the number of respondents with a child in child care in the past month.
- WRP did not generate a significant impact on health insurance coverage - roughly 80 percent of the respondents in each group had health insurance when interviewed.

### Trends in ANFC Caseloads, Benefits, and Earnings

The declining ANFC caseload continues to provide grounds for optimism regarding the impacts of Vermont's Welfare Restructuring Project. As the following table shows, the total number of ANFC recipients declined 43.8 percent over the past seven years. This rate of decline has been even higher for unemployed parent families, at 64.1 percent. These recent caseload declines are attributable to continuing low unemployment rates as well as the impacts of WRP.

|   | <b>November 1993</b> | <b>November 2000</b> | <b>Change</b> |
|---|----------------------|----------------------|---------------|
| Total ANFC Recipients                                 | 26,402               | 14,839               | -43.8%        |
| Single Parent/Incapacitated Parent Recipients         | 22,005               | 13,262               | -39.7%        |
| Unemployed Parent Recipients                          | 4,397                | 1,577                | -64.1%        |
| Percent of ANFC Families with Earnings                | 20.1%                | 21.9%                | +9%           |
| Average Monthly Earnings (for those with earnings)    | \$373                | \$495                | +32.7%        |
| Average Monthly Payment per Recipient (from warrants) | \$188.89             | \$193.88             | +2.3%         |

The data in the table also indicate that the proportion of ANFC families with earnings has increased slightly over the same period. As the caseload becomes smaller, the families remaining on ANFC, on average, have more barriers to employment and may be less "work-ready". For those who are working, average monthly earnings have increased over 32 percent since November 1993.

There has been a modest increase in average benefits paid. The average benefit changed from \$189 in November 1993 to \$194 in November 2000. This is attributable to increases in the ANFC payment standards during this period.

### Random Assignment of Families

MDRC reports that random assignment of 20,450 ANFC families to WRP groups proceeded smoothly from July 1994 through June 30, 1997. Starting July 1, 1997, all new unassigned applicants are assigned to Group 3, in accordance with legislation enacted in 1997. The following table shows the random assignment groups of families receiving ANFC in November 2000, the latest month for which data are available.

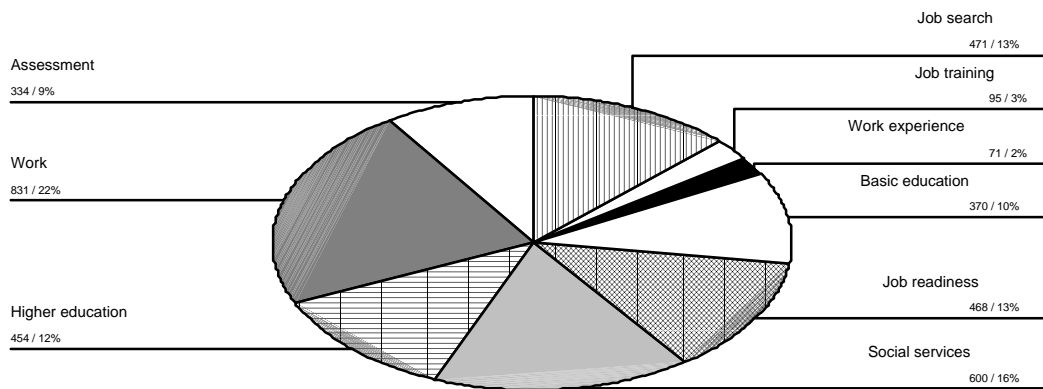
| <b>Assignment Status of Families on ANFC in November, 2000</b> |                           |
|--|---------------------------|
| Group 1 (Control Group)  | 755 - 13 percent          |
| Group 2 (Enhancement without time limits)                      | 804 - 14 percent          |
| Group 3 (Enhancements with time limits)                        | 4112 - 73 percent         |
| <b>TOTAL</b>   | <b>5671 - 100 percent</b> |

### Training, Education and Pre-Employment Activities

The following chart illustrates Reach Up participants' involvement in education, training, pre-employment, and work activities by type of activity during November 2000. Some 2356 Reach Up participants were involved in a total of 3332 of these activities; some participants were involved in more than one activity during the month.

#### Participation in Reach Up Activities

(November 2000)

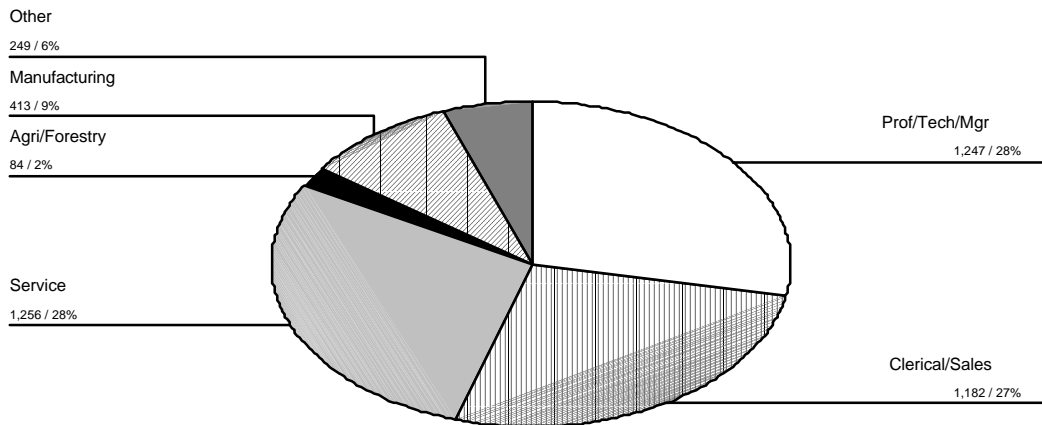


### Job Placements

The following chart depicts available information regarding 4,431 unsubsidized job placements of Reach Up participants during fiscal year SFY 2000. Some participants were placed in several jobs.

## Reach Up Job Placements by Type of Job

(FY 2000)

**Status of Participants Who Reached End of Time Limits (ETL)**

The table below illustrates what happens to ANFC parents in Group 3 that reach their time limit. The table presents the current status (as of November 2000) of all parents that reached their time limit during calendar years 1998 and 1999. Altogether, 1,449 parents were in this group. Of these, most (74 percent) no longer received ANFC benefits or their time limit changed. This is a positive trend, illustrating the regular circulation of families on and off ANFC, and the tendency for many time limit cases to achieve self-sufficiency and leave ANFC.

Of those that reached ETL during 1998 and 1999 and remained on ANFC in November 2000, only a few (3 percent) were sanctioned for noncompliance with work requirements. A small number (1 percent) were meeting the work requirement through Community Service Employment (CSE) (see end of this Section for more information about CSE). Approximately equal proportions were meeting the work requirement while remaining on ANFC (8 percent), were exempt or deferred (7 percent), or were "in process" (8 percent). This "in process" group includes a variety of situations: those who returned to job search after losing employment or ending an exemption; parents who were in a conciliation process that could lead to sanction or return to job search; and those who were seeking a medical or other exemption for which documentation was being sought.

| November 2000 Status of Participants Reaching End of Time Limits in 1998 and 1999 |        |         |
|---|--------|---------|
|   | Number | Percent |
| Closed/date changed   | 1,072  | 74%     |
| Mtg. work requirements  | 110    | 8%      |
| Exempt/deferred   | 100    | 7%      |
| Sanctioned  | 43     | 3%      |
| CSE   | 2      | 0%      |
| In process  | 122    | 8%      |

|       |       |      |
|-------|-------|------|
| Total | 1,449 | 100% |
|-------|-------|------|

Note: This table does not include parents who reached end-of-time limits prior to January 1, 1998 or after December 31, 1999.

### **Community Service Employment (CSE)**

Community Service Employment (CSE) is the Reach Up component that provides subsidized jobs to non-exempt Group 3 parents who are not able to find regular, unsubsidized employment by their ETL. CSE provides an important link to the working world. Participants gain self-confidence and a renewed sense of purpose. When CSE is necessary, the goal continues to be placement in unsubsidized employment and limitation on the time spent in CSE.

In calendar year 2000, the department placed 74 participants in CSE, a 59 percent decrease from 1999. As of December 31, 2000, 15 Reach Up participants were working in a CSE placement. This represented 7 single parents, 6 unemployed parents or spouses, and 2 spouses of incapacitated parents.

CSE placements have been in a variety of settings including: local government, schools, state government, and non-profits such as community action agencies, food organizations, National Guard, and hospitals and nursing homes as well as at the group work sites discussed in Section 1. Job duties include clerical, maintenance, office work, human service aide, groundwork, and other service activities.

It is important to recognize that during this time period the employment market continued to be very strong, and that, as a group, principal earners in two-parent families are relatively strongly attached to the labor market; that is, they have recent work histories and experience. This labor market has also been absorbing single parents, another welcome situation.

## **SECTION 9: PROGRESS IN IMPLEMENTING THE PROVISIONS OF THE ACT INCLUDING ANALYSIS OF THE EFFECT OF WELFARE RESTRUCTURING ON STATE AND FEDERAL REVENUES AND EXPENDITURES**

As mentioned in the Introduction section of this report, federal welfare reform has altered the relationship of federal and state revenues and expenditures. Vermont is eligible to receive up to \$47,353,181 in TANF block grant funds annually through FFY 2002. TANF funds allocated to a given federal fiscal year but not expended in that year can be expended in a future federal fiscal year (but not later than FFY 2002) when caseload size or other circumstances generate the need for expending these funds. Federal welfare reform also obligates the state to maintain state-funded expenditures at 80 percent of its FFY 94 expenditures - \$27,363,833 (or 75 percent if the state meets TANF work participation requirements).

These provisions have been beneficial to Vermont in the short-term. A higher caseload and related expenditures in FFY 94, the base year for Vermont's TANF block grant allocation, have made more federal TANF funding available since FFY97 than Vermont's general fund expenditures in these years would have generated under the federal financial participation funding scenario. This has enabled the department to implement welfare-reform-related activities and make investments in ANFC parents and the support services they need. In addition, Vermont has set aside TANF funding for that future time when economic conditions have a negative impact on the ANFC caseload. It is extremely unlikely, however, that the TANF funds Vermont has set aside, in combination with any special TANF contingency funds Vermont might receive, will be sufficient to respond to the increased demand for ANFC funding that an economic downturn normally generates.

### **TANF and Federal Welfare-To-Work Grant Coordination**

An important issue in planning and implementing the federal Welfare-to-Work (WtW) grants, discussed in previous sections, is ongoing coordination that ensures the complementary use of TANF and WtW funds. PATH staff continue to work closely with DET, lead agency for the federal WtW formula grant. PATH provides the state matching share for the WtW formula grants, and PATH's Rural Welfare-to-Work Strategies Project (see Section 1) worked to ensure coordination.

Clear mechanisms for referral and intake into WtW services have been built on WRP protocols. Care is taken to ensure that ANFC parents are able to access TANF-funded services through Reach Up and WtW-grant-funded services in a sequential manner, so that duplication does not occur. Required reporting to federal agencies is accomplished as efficiently as possible. This coordination must be effective to enable the WtW grants to serve ANFC parents well and be manageable by both DET and PATH. The positive and strong working relationships between DET and PATH and between PATH and the Central Vermont Community Action Council, Northern Community Investment Corporation (NCIC) and the Northeast Kingdom WIB are key steps in reaching this goal.

### **Looking to the Future**

It must be noted that federal welfare reform may have devastating effects on Vermont's capacity to maintain implementation of WRP if the state or country enters an economic downturn and sees increased caseloads, fewer working parents resulting in higher average ANFC grants, and an increased need for support services. It is critical to continue to reserve a portion of the TANF funds to prepare for this eventual turn of events and carry out the intentions of Act 106 and Act 147.

To this end, the General Assembly authorized the creation of a human services caseload reserve composed of savings attributable to ANFC caseload reductions and the effective management of federal receipts. This reserve was \$16.5 million as of June 30, 2000. The administration will make every attempt possible to transfer accumulated unspent federal TANF receipts to this account.



An additional unknown at this time is the impact reauthorization of TANF (due for FFY03) will have on the level of Vermont's TANF block grant.

**SECTION 10:  
SUMMARY OF ALL INTERIM AND FINAL REPORTS SUBMITTED BY  
INDEPENDENT EVALUATION CONTRACTORS TO AHS**

**Manpower Demonstration Research Corporation (MDRC)**

MDRC, the contractor responsible for carrying out the independent evaluation of Vermont's WRP, is responsible for two major reports:

- **Interim Process and Impact Report - October 1998.** Implementation and Early Impacts of Vermont's Welfare Restructuring Project. This report covers the implementation of WRP and the impact of the program on families assigned in the first year from July 1994 through June 1995. The impact analysis covers up to 33 months of follow-up activities for these families and provides an early look at how the program is affecting welfare receipt and employment patterns. This report also includes an analysis of the eligibility specialist staff and Reach Up case managers surveys that were conducted during 1996.
- **Final Process, Impact and Benefit-Cost Report - mid-2002.** This report will cover approximately 54 months of earnings and welfare payment follow-up for the entire evaluation group.

MDRC has completed two additional reports:

- **Forty-Two Month Impacts of Vermont's Welfare Restructuring Project - September 1999.** This is an update to the October 1998 report on WRP's basic impacts on ANFC, food stamp, and earnings/employment. See Section 8 of the Sixth Annual Report to the General Assembly on Vermont's Welfare Restructuring Project (January 15, 2000) for a summary of this report.
- **Forty-Two Month Client Survey Report - June 2000.** This included preliminary results of the 42-month client survey discussed in Section 6 and Section 8 of this report.
- **MDRC Quarterly Status Reports -** In the interim, MDRC summarized its progress in the tasks identified in the WRP project management plan:

*Overall Status of the Evaluation:* The WRP evaluation continues on schedule. MDRC submitted a draft key findings from the 42-month client survey to PATH for review and finalized the report in June 2000. MDRC developed the Community Service Employment (CSE) survey of participants and supervisors and contracted with Macro International, Inc. to conduct it. At year's end, MDRC

was preparing for site visits to the six research districts and a draft report on the CSE survey results.

*42-Month Client Survey:* MDRC subcontracted with Macro International, Inc. to conduct a 45-minute follow-up survey of clients in all three WRP research groups. MDRC submitted a report on survey findings in June 2000. See Section 8 for additional information. Related to this survey, MDRC wrote a memo to PATH regarding marital findings stating that WRP may have a positive effect on marriage among two-parent families, but the reasons for the effect are unclear.

*Field Research:* In January 2000, MDRC visited the six research sites with a focus on the use of Family Development Plans and the implementation of the end-of-time limits (ETL) process for single and two-parent cases. MDRC reviewed about 90 specific cases and met with Reach Up staff and agency managers. At year's end, MDRC was planning a visit to the six research sites.

*Administrative Records Data Exchange:* MDRC continued to compile administrative data from ANFC, CSE, Unemployment Insurance, Food Stamps, and child support files.

*CSE Survey:* MDRC prepared draft questionnaires for surveys of current and former CSE participants and their supervisors. Macro International, Inc. completed conducting the survey in June 2000. The response rate was 83 percent for participants, 78 percent for supervisors, and 60 percent for matched pairs. MDRC will submit a draft report of results in early 2001. See Section 6 for additional information.

*Cost-Benefit Study:* Program cost data are being collected, drawing from child care data, fiscal records and other sources. In 2001, cost data will be combined with data from the impact analysis to create the benefit-cost analysis.

*Revised Contract:* MDRC and PATH signed a contract amendment to reflect the additional work that has been added to the project (e.g., the two additional reports (described above), and additional federal funding.

*Other:* PATH agreed to allow MDRC to conduct a secondary analysis of WRP for "The Next Generation: The Effects of Welfare and Employment on Children and Families" project.

## **MAXIMUS**

As noted in Section 7, PATH contracted with MAXIMUS to do some research regarding assessment methods in other states.

The department also contracted with MAXIMUS to provide program research and assessment services that were the bases of a series of recommendations to modify WRP upon its sunset on June 30, 2001. MAXIMUS submitted the following reports to PATH: Definition of the Problem - June 1999; Ranking and Weighting of Recommendations for Change - August 1999; and Description of Options - September 1999.

## MDRC Reports from Previous Years

- **Forty-Two Month Impacts of Vermont's Welfare Restructuring Project.** September 1999. See details about this update to the October 1998 report on basic impacts on ANFC, food stamp, and earnings/employment in Section 8 of the Seventh Annual Report to the General Assembly on Vermont's Restructuring Project - January 15, 2000.
- **The Cross-State Study of Time-Limited Welfare - Welfare Time Limits: An Interim Report Card.** April 1999. This is the third report in MDRC's cross-state study. It is not part of Vermont's evaluation contract. The report summarizes and synthesizes interim results from studies of welfare reform waiver programs in Arizona, Connecticut, Delaware, Florida, Indiana, Vermont and Wisconsin.
- **Implementation and Early Impacts of Vermont's Welfare Restructuring Project.** October 1998. See details about this interim process and impact report in Section 8 of the Fifth Annual Report to the General Assembly on Vermont's Welfare Restructuring Project - January 15, 1999.
- **The Cross-State Study of Time-Limited Welfare - The View from the Field: As Time Limits Approach, Welfare Recipients and Staff Talk About Their Attitudes and Expectations.** October 1997. This is the second report in MDRC's Cross-State Study of Time-Limited Welfare. See Section 10 of the Fourth Annual Report (January 15, 1998) for a summary of this report.
- **The Cross-State Study of Time-Limited Welfare - Implementing Time-Limited Welfare: Early Experiences in Three States.** November 1995. This report looks at the experiences of Vermont, Florida, and Wisconsin, and while it is not part of Vermont's evaluation contract, it does provide some early information about Vermont's WRP.
- **Design and Workplan for Evaluating Vermont's Welfare Restructuring Project** - February 1995. This report includes an evaluation plan, including research questions, data requirements, and decision rules for random assignment.
- **Client Telephone Survey** - February 1995. See Section 6 of the Second Annual Report (January 16, 1996) for a summary of this report.